

**REMARKS**

Claims 12 and 13, which have been cancelled, were incorporated into currently amended claim 1 which now claims: An appliance for a network based security system, comprising: a. a sensor component adapted for generating a signal in response to a condition present at the sensor component; b. a processor for generating a digital output signal corresponding to the sensor component signal; c. a network interface for transmitting the digital output signal via a digital network, wherein the sensor is a video sensor and the signal comprises a video signal, the appliance further comprising:

a. an analog-to-digital converter for converting the analog video signal to a digital signal; b. a motion video buffer; c. an mpeg compressor associated with the motion video compressor; d. a still frame buffer; e. a jpeg compressor associated with the still frame buffer; f. a multiplexer for combining the outputs of the mpeg compressor and the jpeg compressor for generating a combined output signal to the processor for distribution via the network interface over the network, wherein there is further comprising:

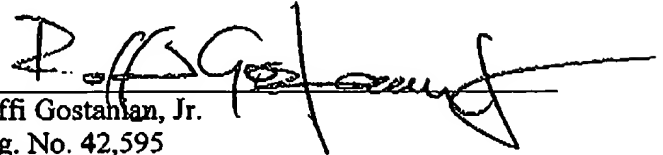
a. an audio sensor component; b. an analog-to-digital converter for converting the analog audio signal to a digital signal; c. an audio compressor associated with the audio sensor component for introducing a signal to the multiplexer, whereby the multiplexer produces a combined digital signal comprising a video and an audio component for distribution via the network interface over the network.

Neither Baldwin, nor any of the other cited references, teach or suggest every limitation of currently amended independent claim 1. As such, Applicant believes currently amended independent claim 1, as well as all claims that depend from it, are in condition for allowance and respectfully request they be passed to allowance.

Claims 74, 75, 78-80, and 82 were cancelled to overcome the 37 CFR 1.75 objection.

If the Examiner has any other matters which pertain to this Application, the Examiner is encouraged to contact the undersigned to resolve these matters by Examiner's Amendment where possible.

Respectfully Submitted,



Raffi Gostanian, Jr.  
Reg. No. 42,595  
972.849.1310

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